

**New Hampshire Racing & Charitable Gaming Commission**  
**Commission Meeting**  
**May 15, 2013**  
**13-06**

Present: Timothy J. Connors, Chairman  
Anthony B. Urban, Secretary  
Frederick H. Booth, Member  
Dennis H. Caza, Member  
Michael J. Gatsas, Member  
Lynn M. Presby, Member  
Sudhir K. Naik, Deputy Director  
Steve Johnston, Supervisor Gaming Operations  
Billie Jean Arseneault, Gaming/Licensing Supervisor  
Stratos Argiras, Auditor  
Linda Glaser, Auditor

In Attendance: Averill Cate, Gregg Barber, Dick Bouley, Jamie Timbas, Rick Newman, Ryan Gloddy, and others.

Director Kelley was unable to attend the public meeting as his presence was required to testify at the house sub-committee hearings on SB 152 relative to the introduction of casinos in the state. Mr. Saia was also unavailable for the public meeting due to a meeting at the Governor's office. (Both returned in time to attend the latter portion of the meeting).

The Chairman called the meeting to order at 11:25 a.m., apologizing for the delay.

On a motion by Commissioner Booth, seconded by Commissioner Urban and unanimously voted to approve and place on file the minutes dated April 30, 2013.

On a motion by Commissioner Urban, seconded by Commissioner Booth and unanimously voted to place on file the racing & charitable gaming statistics for the fiscal period of July 1, 2012 – April 30, 2013.

On a motion by Commissioner Booth, seconded by Commissioner Urban and unanimously voted to accept and place on file the Games of Chance/Bingo/Lucky 7 warning letters/late financials spreadsheets. Deputy Director Naik noted all responses received were satisfactory.

The Games of Chance State Revenue spreadsheets were reviewed. On a motion by Commissioner Booth, seconded by Commissioner Urban and unanimously voted to accept and place on file.

As Legal Coordinator Saia was at the Governor Hassan's office, there was no legislative update presented. Deputy Director Naik noted that Director Kelley was at the state house for hearings on SB 152 (relative to video lottery & table gaming).

#### Tabled

- a. *Nashua Police Athletic League*: Request to appoint Joslin Mechanical to operate their bingo. On a motion by Commissioner Booth and seconded by Commissioner Urban, the item unanimously voted to be taken off the table. On a motion by Commissioner Gatsas, seconded by Commissioner Urban and unanimously voted to deny the request.

#### Action

- a. *Douglas Press*: Request for approval of Lucky 7 ticket, Form number 15028, ticket name Triple Jackpot Ponies. A meeting was held, chaired by Commissioner Presby, attended by NH-RCGC staff and members of the industry. There does not appear to be any problem with the ticket. Further meetings are being planned for policy discussion, determining flaws, and putting rules in place. On a motion by Commissioner Presby, seconded by Commissioner Booth and unanimously voted to allow the ticket to be sold for a six month trial basis.
- b. *Language defining Bingo*: Staff is working with the industry on rules governing bingo and the sale of lucky 7 tickets. Items such as when, where and how lucky 7 tickets may be sold, who may handle the tickets, tickets being sold in the same room where games of chance are held, how many cards constitute a bingo game etc. will be discussed. Commissioner Presby will chair the committee. Meetings will take place this summer, time and place to be announced. On a motion by Commissioner Urban and seconded by Commissioner Booth and unanimously voted to place this item on the table.
- c. *Confidentiality policy for Agency use*: As directed by Commissioner Presby at the previous commission meeting, staff developed a general confidentiality policy for the office to assure that confidential matters remain confidential, a copy of which was enclosed in the agenda packet. On a motion by Commissioner Urban and seconded by Commissioner Booth and unanimously voted to accept this policy. On a motion by Commissioner Gatsas and seconded by Commissioner Booth and unanimously voted to have each staff member sign a copy of this agreement.

#### Correspondence:

- a. Chairman Connors received a letter from Mr. James Rafferty from the River Card Room pertaining to conducting bingo games and selling lucky 7 tickets in the same room that games of chance are being held. Discussion ensued. It was agreed to have the River Card Room put their plan in writing and staff work with Mr. Gregg Barber, representing the River Card Room. Commissioner Gatsas requested that staff review the actual law governing the sale of lucky 7 tickets.

#### Old Business:

None

#### New Business:

- The process for filling the position of internal Auditor III is almost complete. A decision will be made within the next week.
- The Legal Coordinator position has been posted internally and will be published publicly. Charles Saia, Legal Coordinator, will be leaving this agency. Deputy Director Naik stated that Mr. Saia has accepted a position with the Governor's Commission on Disability. He said that Mr. Saia has been a valuable asset to the RCGC, and that he was the ultimate professional and someone who was a pleasure to work with. He will be missed by all at the agency. Commissioner Presby agreed and stated that he did a good job, was thorough in his work and not easily replaceable. Chairman Connors echoed the

sentiments and offered many thanks for his services on behalf of the RCGC and wished him well as he moves on in state service.

- Attorney Daniel Luker representing Potts Gaming LLC and General Manager for Casablanca LLC, Mr. Ryan Gloddy introduced themselves to the Commission and addressed the cease and desist letter sent to them by the Commission. Attorney Luker stated that he was at a loss to understand the reason behind the original cease and desist letter issued by the Commission and was here to gain an understanding of how his client violated the law and hoped the Commission would state their concerns. Commissioner Presby stated that the redemption machines were placed in a facility licensed by the Commission and they were unregulated and beyond the scope of the Commission's licensing. The Commission members asked numerous questions of Attorney Luker and Mr. Gloddy on the workings of the redemption slot machines relative to the award of prizes to winners of points on the machines. Commissioner Presby asked how many machines were at the 647 facility. Mr. Gloddy replied that there are 35 redemption slot machines and 651 gaming machines for kids although adults could and do play these machines as well. Each point won was worth a penny and could be redeemed for prizes such as tee shirts, TV, stoves and the like as determined by the number of point accumulation necessary for the respective prizes. Attorney Luker commented that there was a definite increase in traffic with the introduction of the redemption slot machines contributing to the increase in charity and state revenues. Commissioner Urban asked if the attorney could provide the Commission with the net take on the redemption slot machines. Attorney Luker stated he would have to consult with his client Mr. Potts before he could provide a response. Commissioner Gatsas asked who made the decision to make the machines that were inoperable after the issuance of cease and desist letter operational again. Attorney Luker replied it was Mr. Potts and his management. Commissioner Booth asked Mr. Gloddy to explain the difference between the old way of redeeming a prize with a debit card and the current method after the modification to the procedures. Mr. Gloddy explained that with the debit card the holder of the card could take the debit card and exchange it for merchandise except cash and alcohol from any store, whereas after the modification, the winner would have to ask Potts Gaming to obtain the merchandise for them. Commissioner Booth asked Attorney Luker to provide a detailed written document describing how the redemption slot machines are operated and prizes awarded within the next ten days. Attorney Luker stated he should be able to get it to the Commission as soon as possible.

At 12:45 p.m., Chairman Connors requested Attorney Luker and Mr. Gloddy to leave the room for a few minutes so that the Commission could go into a non-public session. On a motion by Commissioner Presby, seconded by Commissioner Urban and by a unanimous roll call vote the Commission voted to adjourn the regular meeting and go into nonpublic session as allowed under RSA 91-A:3, I (b), II(c) and II(j)

Connors	-	Yes
Caza	-	Yes
Booth	-	Yes
Gatsas	-	Yes
Presby	-	Yes
Urban	-	Yes

At 1:00 p.m., on a motion by Commissioner Booth, seconded by Commissioner Urban and by a unanimous roll call vote the Commission voted to come out of the nonpublic session and permanently seal the nonpublic minutes.

Connors	-	Yes
Caza	-	Yes
Booth	-	Yes
Gatsas	-	Yes
Presby	-	Yes
Urban	-	Yes

At 1:05 p.m. the public meeting continued. Attorney Luker and Mr. Gloddy joined the meeting. Commissioner Presby stated that the submission of the requested documents by Potts Gaming does not imply that the Commission approves the machines. Director Kelley stated to Mr. Luker that his client should provide the requested document on the operation of the redemption slot machines; there may be a hearing before the full Commission with potential sanctions ranging from a simple letter of warning to revocation and/or suspension of the facility license. However, the immediate removal of the machines from the premises may avoid a hearing. Attorney Luker stated that he understood what the Commission requires and will discuss the same with his client Mr. Potts. At this point Attorney Luker and Mr. Gloddy left the meeting.

Director Kelley then referenced an issue regarding Mr. Ray Blondeau of AR Game Distributors Inc. (AR). Director Kelley asked Legal Coordinator Saia to debrief the Commission.

Legal Coordinator Saia explained that about a month or so ago, Mr. Tom Mulligan of Minuteman Group Insurance had requested a release of the AR Game Distributors, Inc. \$50,000 surety bond. Evidently, the licensee had a bond in place which was effective July 1, 2012 and was due to expire on June 30, 2013, as written by Berkeley Insurance. Mr. Mulligan had placed the AR bond with another carrier in October of 2012, (Ohio Mutual) so in effect there are 2 bonds currently in place for the same licensee. Mr. Saia explained that the Commission may be reluctant to release the Berkeley bond without an assurance that the any potential claims which may be instituted prior to October of 2012, would be covered by the Ohio bond. Mr. Mulligan orally stated to Mr. Saia that all prior actions would be covered by the new bond. Mr. Saia requested the same to be in writing.

Thereafter, Mr. Mulligan contacted Mr. Saia and explained that Berkeley had “drawn down” on the surety bond in the amount of \$50,000. Mr. Mulligan could not discern why the draw down had occurred, so Mr. Saia contacted Berkeley directly. It was represented to Mr. Saia that since AR had placed its bond with another company, Berkely had in essence frozen the line of credit, should there be a claim by the RCGC. Berkely is willing to release their hold on the line of credit if the RCGC releases all right, title and interest in and to the Berkeley bond. Mr. Saia advised Mr. Mulligan that the matter must be heard by the full Commission.

Discussion ensued. Mr. Bianco now represents AR. Although not present for today’s meeting, he had previously suggested that an indemnification agreement to be executed by Mr. Blondeau would satisfy the Commission’s concerns. The Commission discussed further and determined that Mr. Raymond Blondeau should execute a personal guarantee, wherein he would accept any and all potential liability filed against AR Game Distributors, Inc. for any possible claims prior to October of 2012. The Commission would then consider releasing the RCGC’s interest in and to the Berkeley bond.

Director Kelley then provided a synopsis to the Commission of his testimony before the various sub-committees dealing with SB 152 relative to the introduction of a high end casino.

There being no further discussion, the Chairman closed the public meeting at 1:15p.m.

The next meeting is scheduled for Tuesday June 4, 2013 at 11:00 a.m. at the Board of Pharmacy conference room at 57 Regional Drive.

Respectfully Submitted,

Secretary  
Anthony B. Urban